NCTEF Board of Directors' Meeting
INVESTMENT POLICY STATEMENT
May 4, 2003

I. Purpose of Statement

A. The purpose of this Statement of Investment Policy is to:

1. Establish and document the investment objectives, philosophy, policies, guidelines and goals.
2. Provide the Investment Manager with a written document of said investment objectives, philosophy, policies, guidelines and goals of the plan so that the Investment Manager clearly understands the investment philosophy of the Board of Trustees.
3. Clearly communicate to the Investment Manager its role and responsibilities in managing assets for the plan, including expected performance, risk tolerance, investment guidelines and communication with the Board or its designated representatives.

B. It is intended that this Statement provide meaningful guidance in the management of the plan's assets.

C. This statement will be reviewed, at a minimum, on an annual basis and will be revised if necessary.

II. Investment Objectives

A. Preservation of Principal
B. Seek to conserve and enhance the capital value within guidelines
C. Achieve returns consistent with benchmark of investments

It is the intention of the trustees that the investment manager makes reasonable efforts to preserve the principal provided to them, but preservation of principal shall not be imposed on each individual investment. It is understood that there will be months and quarters in which a negative rate of return will be experienced.

III. TYPES OF ASSETS

In order to provide the investment manager with the freedom to invest in various types of assets, the following items are expressly approved for investment purposes:

- Common Stock
- Preferred Stock
- U.S. Government Securities
- Convertible Securities
- Bonds with an "A" or higher rating by Moody's and Standard & Poor's. i.e. Investment Grade Securities
- Money Market Funds
- Zero Coupon Bonds
- Certificates of Deposit

All assets selected for inclusion in the portfolio must have a readily ascertainable market value and must be readily marketable.

The following types of assets or transactions are expressly prohibited:

- Selling Short
- Commodities
- Options

<u>INVESTMENT MARKET – ASSETS</u>

All equity purchases should be made in highly liquid companies where the ability to gain a fair sales price at any time is assured. It is expected that all stock purchases could be made on the New York Stock Exchange, the American Stock Exchange or the "OTC" Exchange.

IV. Asset Allocation

A relatively passive approach should be taken to asset allocation. The Investment Manager should maintain the policy asset allocation listed below except for those occasions when the Investment Manager, in consultation with Executive Director and the NASDCTEc Executive Committee, assesses the equity and fixed income markets as extremely positive or negative.

Stated below is the policy asset allocation at market. This is the long-term asset allocation desired by the Board, which should approximate the actual average asset allocation over a three-to-five year period.

Also, stated are the maximum and minimum asset allocation levels at market for each asset category.

	Minimum	Policy	Maximum
Equity	20%	50%	60%
Equity Income	0%	10%	20%
Fixed Income	30%	40%	60%

Fixed Income

These guidelines and policies apply to fixed income securities with greater than one year to maturity.

The purpose of holding fixed income assets in the Plan is to provide income, help control the volatility of the rate of return of the total portfolio, and to preserve capital.

The minimum quality rating of any single fixed income security held in the Plan is "A" by Standard and Poor's and "A" by Moody's. If the rating of any bond should fall below either of these levels, the bond should be sold within 60 days of the date of the rating change provided that the security is liquid and can be sold easily without significantly impacting the bond's price or hurting the performance of the total portfolio.

In addition there shall be a liquid reserve or money market account equal to at least (3) three months of anticipated expenses.

Asset allocation shall be reviewed and revised at least annually.

V. Investment Performance and Measurement

The investment performance of the portfolio shall be measured against appropriate benchmarks. Although investment objectives may not be achieved each quarter or each year, it is expected that they will be achieved over capital market cycles, which normally last over a three to five year period.

VI. Meetings & Reports

Statement of investment shall be provided monthly. Performance reports shall be provided at least annually. Meeting shall also be held periodically to discuss the outlook for the economy, and the securities market as they relate to investments. Changes to these general objectives and policies may only be made by mutual agreement, in writing